

# **EXHIBIT C-6**

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE

IN RE:

Case No. 00-3299

CORAM HEALTHCARE,

824 Market Street  
Wilmington, DE 19801

Debtor,

March 3, 2003  
9:30 A.M.TRANSCRIPT OF TRUSTEE'S MOTION FOR AUTHORIZATION TO REJECT  
THE EXECUTORY CONTRACT OF DANIEL CROWLEY  
BEFORE THE HONORABLE MARY F. WALRATH  
UNITED STATES BANKRUPTCY COURT JUDGE

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Adams - Direct

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1 A Oh, maybe a week or so after I was appointed. The first  
2 thing I did after I was appointed was to read carefully the  
3 opinions written by Her Honor relating to this matter, and then  
4 I called Mr. Crowley and arranged to go to Denver, told him I  
5 wanted to meet with him and his entire staff, and he set that  
6 meeting up. I forgot the date, but it was some time in the  
7 latter part of March. And I went out to Denver and talked with  
8 Mr. Crowley for, I don't know, two hours, maybe three hours,  
9 and then met with the entire staff, first collectively, but  
10 then I asked that I be given the opportunity to meet with each  
11 of the executive staff individual and on a private basis.

12 Q It is accurate that of the -- approximately the 2,100  
13 employees that Coram has, about 100 are in Denver.

14 A About that.

15 Q But members of the senior executive were brought in from  
16 elsewhere around the country to meet with you?

17 A They were, and there were approximately fifteen. I can't  
18 tell you precisely the number.

19 Q When you first met with Mr. Crowley was there any  
20 discussion of Her Honor's opinion or of his then current  
21 relationship with Cerberus?

22 A There was. Almost the first thing I did with Mr. Crowley  
23 was to ask him about the conflicts and that had been referred  
24 to in the opinions that I've just averted to, and he assured me  
25 that he had no further contractual relationship with Cerberus

Adams - Direct

15

1 except for the remaining claim under the contract for work that  
2 he had done prior to my appointment that had nothing to do with  
3 Coram, and I made it clear to him that he could not take any  
4 compensation from Cerberus for anything except that claim and  
5 that he could not spend any time that he would ordinarily be  
6 devoting to Coram in order to deal with any of the remaining  
7 Cerberus matters.

8 He gave me that assurance.

9 Q Did he also discuss with you that that he still had some  
10 talking relationship with Cerberus?

11 A He did. He said from time to time Cerberus asked him to  
12 give his comments or opinions about matters that came to their  
13 attention, and I said, "Well, you could do that, but you have to  
14 make sure that those matters could have nothing to do with  
15 Coram, couldn't be a competitive situation or anything of the  
16 sort," and the reason why I gave them -- him that opportunity,  
17 although I was mindful of the judge's concerns, was I knew he  
18 had a substantial claim against Cerberus, and I didn't want to  
19 do anything to prejudice that claim. I didn't think that was  
20 fair on my part.

21 And I knew that if I was going to succeed as a Trustee it  
22 was important to have a good relationship, not only with Mr.  
23 Crowley, but all of his people. And that's the style that I  
24 use in handling these matters. Some people don't use that  
25 style. Mr. Levy, for example, uses a very confrontational

Adams - Redirect

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1                   THE COURT: Sustained.

2 BY MR. BRESSLER:

3 Q     What were your views as to the inquiry into the continued  
4 possible conflict?

5 A     I instructed you and your colleagues to be very attentive  
6 to that issue. I knew of the judge's position, and I had every  
7 intention to adhere very closely to that. And if I couldn't  
8 take care of the details, I expected you and your associates to  
9 do so.

10 Q    Have you seen anything in the documents and unsent drafts  
11 that Mr. Levy has shown you that is not consistent with Mr.  
12 Crowley's representation to you that he's no longer getting  
13 paid by Cerberus?

14 A    I have seen nothing. If I did, I would be upset about it  
15 and probably take steps.

16 Q    What is the current level of authority that any of the  
17 officers of Coram have to write checks or spend money without  
18 your approval?

19 A    I think the level is \$50,000. I approve everything above  
20 -- from 50,000 up.

21 Q    You don't have to know what services Mr. Crowley may have  
22 been claiming monies from Cerberus for to know that he told you  
23 they were not for Coram work; is that correct?

24                  MR. LEVY: Objection, leading.

25                  THE COURT: Overruled, but it could be clarified.

Crowley - Cross/Levy

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1 A I have talked to Feinberg.

2 Q But you don't know how many times.

3 A A number of occasions.

4 Q And you don't know whether in any of those conversations  
5 you talked to him about the money that you claim is due to you  
6 from him, right?

7 A I'm certain on some of those occasions I did. I don't  
8 recall.

9 Q So, you went to the meeting. You expected a proposal, you  
10 expected a number, and there was none, right?

11 A I answered that, yes.

12 Q And you came away from the meeting disappointed?

13 A I wondered why I was asked to come to New York to receive  
14 a proposal if the proposal was nothing.

15 Q Five days after the meeting you sat down at your computer  
16 and you typed a document relating to that meeting, correct?

17 A I wrote a draft.

18 Q Can you answer that yes or no?

19 A Yes.

20 Q And the draft you wrote -- do you have the documents up  
21 there, Mr. Crowley?

22 A Yes, I do.

23 Q Will you look at EC-8, please? The draft you wrote, the  
24 first two pages of EC-8, the ones that have Bates numbers CRX-  
25 63 and 64, correct?

Crowley - Cross/Levy

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1 A Yes.

2 Q And in that draft you wrote -- the very next to the last  
3 thing you wrote -- no, the very last thing you wrote was, "I  
4 just wanted you to know how I am feeling on this particular  
5 day," correct?

6 A Those are the words.

7 Q And that is how you felt on that particular day, correct?

8 A Of course I testified for hours with you in the deposition  
9 and told you this was --

10 Q Excuse me. The judge was not at the deposition. Could  
11 you just answer my question, please?

12 A No.

13 Q That's not how you felt on that day?

14 A It's out of context.

15 Q How is it out of context, Mr. Crowley?

16 A Mr. Levy, I see how you would like to characterize it, but  
17 this was part of my life has been -- I write something down,  
18 think about it the next day. In this case I wrote something  
19 down, the first two pages. I sent it to my attorney. I re-  
20 crafted it the next day. I was ready to send that. I sent  
21 that to my attorney. Neither one of these letters went beyond  
22 me to my attorney. I haven't seen this thing in darn near a  
23 year until my attorney showed it to me again a week ago.

24 Q Well, you talked to your attorney about it -- let's see,  
25 this is May 6th. You tell -- you went it to Mr. Schreiber,

Crowley - Cross/Levy

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1 looks like from the fax marks on May 6, correct?

2 A I sent to Mr. Schreiber. I admit it.

3 Q And you talked to him about it almost immediately  
4 thereafter, didn't you?

5 A I don't know that.

6 Q You deny that, sir?

7 A I don't know if I talked to him immediately thereafter.

8 Q You talked to him shortly thereafter.

9 A I talked to him thereafter.

10 Q About this document.

11 A About this document

12 Q And that was pay before I took your deposition last week.

13 A I talked to him about this document in May 2002, yes.

14 Q Now, in this document, the portion you wrote, on Page 2  
15 beginning in the second paragraph, some rather -- some  
16 complaints about the job that David Friedman did and after  
17 complaining you said, "I didn't have to recite the answers that  
18 Friedman gave me to say in court." Did you wrote that?

19 A Yes, I wrote that.

20 Q Did you mean it when you said it?

21 A Absolutely not. I told you that.

22 Q You wrote it but didn't mean it, absolutely.

23 A Again, this was a melodrama, a noontime drama. I wrote  
24 what I felt was -- that David Friedman could have done a whole  
25 lot better job and didn't do as well as he could have. There

Crowley - Cross/Levy

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1 was significant evidence he could have presented -- different  
2 ways he could have handled this case to supply Your Honor with  
3 the information that you have, 1,635 pages of it that had he  
4 done that, we may have had a different decision. And I don't  
5 think that he did do that.

6 Q He did hand you a list of questions and answers before you  
7 took the stand last December, didn't he?

8 A He gave me a list of questions and probable answers and  
9 asked me to read them over and we would discuss it. I  
10 testified to the best of my ability the truth. I did not  
11 recite -- I couldn't recite or wouldn't recite anything that  
12 anybody gave me.

13 I gave my own answers.

14 Q Can you give me any explanation then of why you chose the  
15 word "recite" in here?

16 A Here's a letter that's a year old. I was completely  
17 sideways because I'm calling Feinberg saying, "I want to be  
18 paid for '99, 2000, 2001. You and I know what the deals are."  
19 "Send them to Bob Gadigan."

20 I sent him a list. I said, "Where are we?"

21 He said, "Send them to Bob Gadigan."

22 I said, "I did."

23 He said, "Send them again."

24 "I think I'm due a lot of money."

25 "What do you think you're due?

Crowley - Cross/Levy

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1        "A lot."

2        "You have to give me the source data."

3        "What do you think I'm due?"

4        "I don't know."

5        "Steve, what -- I think I'm due something. I'd like to be  
6 paid."

7        He pushed me off in '98, in 2000 and 2001. The contract  
8 was dead. I'm not taking anything from him, I'm simply asking  
9 for what I'm due.

10       I asked for proposals, I didn't get it, he drags me to New  
11 York for a proposal that he gives me is -- there is none.

12       This letter is, you know, not in my many letters that I've  
13 written, when I sit them on the side of my desk it's Draft One  
14 of two drafts. You don't show me Draft Two, but there is Draft  
15 Two that I was willing to sign my name to that says, "I'm  
16 putting whatever it is in here in front of Judge Walrath and  
17 he United States Trustee and Judge Adams. I'm happy to do it,  
18 and if they say no, then no it is."

19       But you're -- I did not recite anything David Friedman  
20 provided to me.

21 Q       Is that, sir, your complete explanation to my question of  
22 why you chose the word "recite"?

23 A       I chose the word "recite" --

24 Q       Can you answer that yes or no?

25 A       I have no idea.

Crowley - Cross/Levy

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1 Q Okay, thank you.

2 Let's go now to the next paragraph which says -- you wrote  
3 on your computer, "I suppose if I had been more trusting,  
4 maybe, paren, maybe I would not have written the memo about  
5 trying to get upside on your position if I did a great job at  
6 Coram."

7 See that, sir?

8 A Yes.

9 Q Now, would you look at EC-9.

10 A Yes.

11 Q And I'm sure you'll recall that that document that was  
12 marked in evidence at the hearing, that document which is dated  
13 November 12th, 1999 was marked in evidence at the hearing heard  
14 in this courtroom in December of 2000. Remember that?

15 A Yes, I do.

16 Q And do you remember that you denied at that time that EC-  
17 9, then EC-20 indicated an intention -- indicated an intention  
18 to get upside on the position if I did a great job at Coram?

19 A You know, my testimony's in the court as to this pre-  
20 employment letter to which we did not agree. I don't know what  
21 else to say.

22 Q Well, why did you tell Mr. Friedman, that you -- quote --  
23 I'm sorry, you didn't tell that to Mr. Friedman.

24 Why did you write in this letter, quote, "I would not have  
25 written the memo about trying to get upside on your position."

Crowley - Cross/Levy

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1 A Well, this is not a letter. This is draft one of two  
2 drafts of material I sent simply to my lawyer that never went  
3 to anybody.

4 Q I'll correct the -- I'll correct that --

5 A I thought --

6 Q What -- I'm not sure I see the importance, but why did you  
7 write in this draft, "I would not have written the memo about  
8 trying to get upside on your position if I did a great job at  
9 Coram"?

10 A I think what I'm saying -- you know, I don't know. I just  
11 didn't trust the man, I guess.

12 Q You do agree, by the way, don't you, that the reference  
13 here in this document that we're looking at, EC-8, is a  
14 reference to EC-9, the older document? No question in your  
15 mind about that; is there?

16 A No.

17 Q Now, let's look at the next page, CRX-65. And we have --  
18 we agree, don't we, that this was written by Mr. Scott  
19 Schreiber?

20 A This was written by Scott Schreiber.

21 Q And that that's his handwriting where it says "insert"?

22 A I believe it is.

23 Q And Mr. Schreiber was your lawyer?

24 A He is my lawyer.

25 Q Was and is your lawyer.

Crowley - Cross/Levy

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1 A Yes.

2 Q Was on May 6th, 2002.

3 A Yes.

4 Q And there's no doubt in your -- now, Mr. Schreiber writes  
5 in CRX-65, "Hence, I expect that you'll honor the commitment  
6 that you made to me over dinner." You see that?

7 A Yes.

8 Q Do you have any idea where Mr. Schreiber could have gotten  
9 information suggesting that Feinberg made a commitment to you  
10 over dinner other than from you?

11 A I never saw this document, Mr. Levy.

12 Q Can you answer that? My question is, do you have any  
13 idea?

14 A No.

15 Q Do you have any idea where Mr. Schreiber could have gotten  
16 the idea that the commitment specifically was that Coram's plan  
17 is confirmed -- if Coram's plan is confirmed or its assets  
18 sold, you'd be reinstated with Cerebus and receive \$5 million?

19 A I --

20 Q Yes or no, do you have any idea?

21 A No.

22 Q Good.

23 MR. KIPNES: Move to strike, Your Honor.

24 MR. LEVY: I --

25 THE COURT: Sustained.

Crowley - Cross/Levy

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1 MR. LEVY: Okay. I withdraw it.

2 BY MR. LEVY:

3 Q And I assume you had no idea of any source of information  
4 that Mr. Schreiber might have had that you had received a  
5 commitment from Mr. Feinberg that Cerebus would indemnify you  
6 for legal fees, correct?

7 A No, because they haven't.

8 Q And finally, perhaps most importantly, do you have an idea  
9 where Mr. Schreiber could have gotten information that would  
10 lead him to write that you had a commitment from Mr. Feinberg  
11 to pay you the difference between what you ultimately received  
12 from Coram by way of bonuses and \$11,200,000?

13 A None at all.

14 Q And do you recognize \$11,200,000 as a number that you once  
15 perhaps told Judge Adams was the amount you thought was due  
16 from Cerebus?

17 A It is not.

18 Q Judge Adams was wrong?

19 A It's not a number that I provided. The numbers are  
20 public, they're available in every form of SEC document.  
21 They've been testified in court, you've subpoenaed them, I've  
22 provided them to the office of the Trustee, the current number  
23 is almost 17-million-9. Back then it was 15-million-7. This  
24 number represents nothing I would know.

25 MR. KIPNES: Your Honor, for the purpose of the

Crowley - Cross/Levy

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1 record, Mr. Levy said owed by Cerberus.

2 THE COURT: All right, just to clarify, it's owed by  
3 Coram is what you're question --

4 MR. LEVY: It is, and I thank you.

5 THE COURT: All right.

6 BY MR. LEVY:

7 Q Now, the next letter, the next communication, the next  
8 draft if you like, is EC-10, a May 8th, 2002 document with  
9 number 71 -- CRX-71, 2 and 3 on it; is that correct?

10 A Yes.

11 Q Something you wrote.

12 A Yes.

13 Q And this one you signed.

14 A Yes.

15 Q And you wrote, "Dear Steve," and you wrote Steve in,  
16 correct?

17 A That's my handwriting.

18 Q Right, and just exactly the same way, if you look back at  
19 EC-9, the 1999 document, same way you wrote, "Dear Steve,"  
20 right?

21 A The first two pages of the prior equity committee are a  
22 draft that I wrote, first two pages, the memo that's dated May  
23 8th that's EC-10 I wrote and I signed, both of them were  
24 drafts, neither of them were sent. They both went to my  
25 attorney and nowhere else.

Crowley - Cross/Levy

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1 Q And with respect to EC-10, the May 8th letter, you did  
2 discuss that letter with Mr. Schreiber some time in May,  
3 correct?

4 A I must have. I don't recall it.

5 Q And do you -- look specifically now at EC-10, and  
6 specifically on the last page in the third paragraph from the  
7 bottom, about the middle, you say, "Steve, I am also anxious  
8 that unforeseen events sometimes overtake good intentions. You  
9 could get hit by a bus and be gone. Cerebus would get bought  
10 out or whatever. The point is that then I would be left with  
11 nothing. Now, that's not right or fair, is it?"

12 You see that?

13 A Yes.

14 Q And you wrote that.

15 A Yes, I wrote that.

16 Q Now, why would it be unfair to you? Mr. Feinberg wouldn't  
17 like it, but why would it be unfair to you if he was hit by a  
18 bus and was gone?

19 A Well, in December of 2001 I received my last payment from  
20 this guy. I've asked him to pay me for '99, 2000, 2001. I  
21 have tried more ways than I know how to terminate this contract  
22 and be paid up front, in the public, in front of Your Honor or  
23 anyone what I'm doing for what? Nothing for Coram. Never  
24 asked. Don't expect. Not going to accept. Nothing relates to  
25 Coram.

Crowley - Cross/Levy

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1 I'm saying to this man, "You know that, and I know that,  
2 how about let's just get this over and be done with it and put  
3 it on public? I'm okay with that."

4 There isn't any conspiracy. Let's get it over with. He's  
5 saying, "Good, let's do that. Let's put it in front of  
6 everybody."

7 And I'm saying, "Fine. What's the number?"

8 We're going back and forth, and I believe that the man --  
9 he's a terrific businessman. He's playing hide the ball. I  
10 don't know why or what's going on here, but I would just like  
11 it over.

12 Lord knows, you've accused me of everything under the sun,  
13 Mr. Levy, and it's not true. So, I'm left to this guy saying,  
14 I'll pay you." What? When? For what? I'd like to be done  
15 with it.

16 Here's what for, here's how much, here's the  
17 documentation, do it. That's all I'm saying. That's what this  
18 letter says. I didn't send it, though. Cooled down and threw  
19 it in the circular file, the trash.

20 Q Mr. Crowley, your claim is not -- for all his money you're  
21 talking about was not against Feinberg personally; it was  
22 against Cerberus, wasn't it?

23 A In many ways Steve's the principal there.

24 Q You have -- still have -- or there is a written contract  
25 between you and Cerberus, correct?

Crowley - Cross/Levy

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1 A Sure, and it's --

2 Q And it's that contract that defines the rights you think  
3 you have for certain upsides; isn't that right?

4 A That's right.

5 Q Well, then why -- and presumably Cerberus has records of  
6 what those upsides were, though you've never seen them, right?

7 A I'd like to.

8 Q Okay, then why is Mr. Feinberg's being gone going to  
9 affect your right -- will leave you with nothing?

10 A I must have come to the same conclusion as you, 'cause I  
11 threw the letter away and never sent it to him. I thought this  
12 was attorney-client privilege, 'cause it went from me to my  
13 lawyer to the trash. But here I guess I'm testifying.

14 Q Equity Committee Exhibit --

15 THE COURT: Thirteen.

16 MR. LEVY: Thirteen, thank you, Your Honor.

17 BY MR. LEVY:

18 Q -- is a document bearing numbers CRX-486 and 487 dated  
19 April 1st, 2002. I think you've testified you prepared this  
20 document?

21 A I did testify that.

22 Q And it reflected your intentions as to what you would like  
23 to see in the termination agreement on or about the date you  
24 wrote it?

25 A Again, I --

Crowley - Recross/Levy

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1 A I was really angry. I -- this is bullshit. I'm sorry. I  
2 apologize to the Court.

3 Q Did you have any conversation at that time with Mr.  
4 Schreiber about the accuracy of what appears on that page?

5 A I did.

6 Q And what did you say?

7 A This is absolutely wrong. It's not in context with that  
8 meeting. None of this happened. Where in the hell did you get  
9 this? And why am I looking at it a year later, an insert that  
10 I've never seen before? What is this about?

11 Q Does Cerberus owe you any money in your view for any work  
12 you have done at any time from the date of your birth to now  
13 that has anything to do with Coram?

14 A Not a penny.

15 MR. KIPNES: No further questions.

16 RECROSS EXAMINATION

17 BY MR. LEVY:

18 Q Perhaps I misunderstood you, Mr. Crowley. I thought you  
19 had testified that after you wrote the May 6 letter and  
20 discussed it and the third page, Page 65, with Mr. Schreiber;  
21 is that not your testimony?

22 A Mr. Levy, I told you I hadn't seen this thing in over a  
23 year, that the only time I've seen it since I thought it was  
24 thrown away, I sent it to my lawyer. I did Draft Two, was  
25 ready to send it. I cooled down the next day, in the trash it

1 and has kept out of whatever monetary claim Mr. Crowley may  
2 have against Cerberus.

3 MR. LEVY: Mr. Schreiber said we ought to stick with  
4 him. Merely resonance of what the director's witness, Mr.  
5 Emeral said, "Well, he's doing a good job, let's stick with  
6 him."

7 And the cases that Mr. Bressler talks about do talk  
8 about people who in the past have a conflict. I certainly  
9 think his past conflict twice colors what happened here today,  
10 but it is the ongoing relationship that troubles us so.

11 Thanks.

12 THE COURT: Well, I'm going to deal with the  
13 Trustee's motion for approval of the extension. And in doing  
14 so, I agree that it is the business judgment rule that I just  
15 consider.

16 To express my feelings I'm going to paraphrase  
17 someone I think epitomizes the business judgment rule, and that  
18 is Warren Buffet. And he has said that the ideal employee is  
19 someone who's smart, hard-working and honest. But if the  
20 employee isn't honest, you darn well better hope he's stupid  
21 and lazy, because otherwise you're in trouble.

22 There is no question in this case that Mr. Crowley is  
23 smart, hard-working, a brilliant businessman. But I do not  
24 believe he is honest. And his testimony today has not  
25 convinced me that he has changed since the last time he

1 testified.

2                 Judge Adams has an impeccable reputation for  
3 integrity. Quite frankly, I don't want his reputation or mine  
4 sullied by approving continuing employment of an employee that  
5 I do not believe to be an honest person. I think being asked  
6 today to trust that Mr. Crowley is complying with the Trustee's  
7 request simply because there is no proof that he has not  
8 complied with the requirements imposed upon him by the Trustee  
9 goes too far, given the fact that he has previously failed to  
10 disclose relevant information. And quite frankly, the draft  
11 documents that were produced continue to show at least in May  
12 of 2002, after the appointment of the Trustee, continue to show  
13 what I believe is a continuation of Mr. Crowley's continued  
14 efforts to continue to get reimbursement from Cerberus for  
15 efforts undertaken in this case.

16                 It's a belief I have. There is no evidence that an  
17 agreement was reached with Cerberus or that Cerberus  
18 participated in it, but I think that the drafts show that Mr.  
19 Crowley sought to have that continuation, sought to be paid,  
20 albeit after confirmation, that is after he was no longer  
21 subject to the jurisdiction of this court, sought to get  
22 remuneration for efforts taken in this case, which quite  
23 frankly is not permissible.

24                 And given that belief, I will not approve any  
25 extension of employment. I've said before that fortunately or

Adams - Cross/Levy

25

1 Q Judge Adams, would it be fair to say that during this  
2 engagement your principal focus has been to find a consensual  
3 resolution of the disputes between the parties and get the  
4 company out of bankruptcy?

5 A I think that would be fair.

6 Q And it's also correct, isn't it, that if it was determined  
7 that Mr. Crowley did have a continuing conflict of interest it  
8 would not have been your judgment to keep him on?

9 A That is correct.

10 Q No matter how good a job he was doing?

11 A That is correct.

12 Q And, sir, you also recognize that the ultimate legal  
13 issues in this case are to be determined by the Court?

14 A Yes, that's true.

15 Q And notwithstanding what I truly believe your  
16 extraordinary legal abilities, you've not tried to adjudicate  
17 the legal ability -- the legal issue, rather, of whether Mr.  
18 Crowley has a continuing conflict.

19 A Not the sense of a judge deciding something, but on the  
20 factual basis I did attempt to ascertain that, yes.

21 Q Well, would it be fair to say, sir, that you've not made  
22 it a principal focus of your efforts as Trustee to investigate  
23 the conflict issues that have been raised?

24 A Well, I don't think it's the principal focus. I thought I  
25 did that right at the beginning, and it was continuing. I

Crowley - Direct

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1 monthly report.

2 Q And have you done that?

3 A Yes, I prepared the weekly report in accordance with his  
4 instructions.

5 Q At your initial meeting with Judge Adams, what  
6 conversations, if any, did you have regarding Cerberus?

7 A Judge Adams discussed Judge Walrath's opinion with me. He  
8 asked me directly about my relationship with Cerberus. He  
9 asked me if I was receiving any compensation from Cerberus in  
10 2002. He asked me what work I was doing for Cerberus. We  
11 discussed the current activities that I had with Cerberus, and  
12 he instructed me as to what circumstances and conditions in  
13 which he would grant permission for me to do those projects for  
14 Cerberus.

15 Q What instructions were those?

16 A Judge Adams was very specific in that he said I'm not to  
17 be paid anything by Cerberus for work done in 2002. I agreed to  
18 that. Judge Adams was very specific in saying that any work  
19 that I did for Cerberus in 2002 could not be involved in any  
20 way with the business or relationships of Coram. I said  
21 absolutely, I had no problem with that.

22 Judge Adams was very specific that the work, if any, that  
23 I would do for Cerberus could not detract from the activities  
24 and focus that I had to provide to Coram, and I agreed to that.

25 MR. KIPNES: Your Honor, may I hand the witness

Adams - Direct

19

1 all during that period.

2 And I think that's been true all during the period Mr.

3 Crowley has been there, but that has not been my concern. My  
4 concern was primarily while I was in charge.

5 Q Have you formed a view as to what the consequences of Mr.  
6 Crowley no longer being with the -- Coram might be?

7 A I have.

8 Q And what is that view?

9 A I think it would de-stabilize the business, it would cause  
10 the executives to begin worrying about their situation and  
11 maybe depart for other more secure situations. It would cause  
12 the suppliers to begin worrying about having their bills paid,  
13 it would cause some of the important customers to feel a good  
14 deal of uncertainty.

15 When you make a change at the very top of the corporation,  
16 it has a tendency to de-stabilize unless there is a very, very  
17 good reason, such as heart attack or another job or promotion.  
18 But if you suddenly remove the CEO it causes a lot of  
19 consternation.

20 Q Have you consulted with professionals in developing that  
21 opinion?

22 A I have.

23 Q And who have you talked to or consulted with?

24 A Well, I talked to the -- to gentlemen whose names you have  
25 just mentioned on a number of occasions.

Saracco - Redirect

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1 trust and faith. So, the folks who sent you those patients  
2 stop referring, and your staff gets concerned, and there's a  
3 very high demand for nurses and pharmacists in hospitals and in  
4 this kind of business. They have no problem making a move very  
5 quickly onto a new entity or new organization that's not going  
6 through a bunch of strife or new changes or problems.

7           So, personally, without asking them, I don't need to  
8 ask them. I've watched our turnover rate escalate and decline  
9 based upon the longevity and the leadership and direction of  
10 the CEO or leader of a company.

11           People have had a lot of change. If you do it again,  
12 or if it occurs again, you will lose people. Can I tell you  
13 who and how many? No, I don't need to. I can tell you about  
14 turnover rates and what happens when management changes.

15 BY MR. BARKASY:

16 Q       Mr. Saracco, do you have any understanding as to whether  
17 the Chapter 11 Trustee reviews the terms and conditions of your  
18 employment, such as your compensation?

19 A       I understand that since we have had a Trustee come in,  
20 that it is his responsibility for the changes or payments that  
21 are -- that are made to us. I also understand that if any  
22 changes in employment were to be made he would have to approve  
23 that.

24 Q       Thank you, Mr. Saracco.

25 THE COURT: All right, thank you. Thank you, you may

Meyer - Direct

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1 step down.

2 THE WITNESS: Thank you, Your Honor.

3 MR. BARKASY: Your Honor, for his next witness, the  
4 Trustee will call Deborah Meyer.

5 THE COURT: Just for planning purposes, how many  
6 other witnesses does the Trustee have?

7 MR. BARKASY: We have three witnesses, Ms. Meyer, Mr.  
8 Ponzio, who will be about ten minutes on direct, each, and Mr.  
9 Victor, who will not be much longer than that.

10 THE COURT: And the Equity Committee?

11 MR. LEVY: No one.

12 THE COURT: All right, thank you. You may step  
13 forward and please remain standing so you can be sworn in.

14 COURT CLERK: Place your hand on the Bible. Please  
15 state your full name and spell your last.

16 THE WITNESS: Deborah Marie Meyer, M-e-y-e-r.

17 DEBORAH MEYER, TRUSTEE'S WITNESS, SWORN

18 COURT CLERK: Please be seated.

19 DIRECT EXAMINATION

20 BY MR. BARKASY:

21 Q Good afternoon, Ms. Meyer. You work for Coram, correct?

22 A Yes.

23 Q What do you do for Coram?

24 A I'm the senior vice president of field sales.

25 Q And what are your duties as senior vice president of field

Meyer - Direct

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1 sales?

2 A To provide strategic leadership to the sales force and to  
3 have strategic planning to grow top line.

4 Q Where's your office?

5 A Denver, Colorado.

6 Q Even though your office is in Denver, do you travel at all  
7 as part of your job?

8 A At least fifty percent of the time I travel.

9 Q And what is it you do when you travel?

10 A Several things. I see customers, I will meet with  
11 individual branches and do sales office meetings. I will do  
12 strategic planning with individual regions.

13 Q To whom do you report on a day-to-day basis?

14 A Dan Crowley.

15 Q How long have you been with Coram?

16 A Well, actually in 1988 I started with a company called  
17 Caravan Medical Systems and started as a infusion nurse. I  
18 went out in the field seeing patients, and then five years  
19 later Caravan Medical Systems was part of the consolidation  
20 that was created in the forming of Coram Healthcare.

21 Q When did you become senior vice president of field sales?

22 A August 1st, 2000.

23 Q What position did you have before that?

24 A Area vice president of sales.

25 Q Was it Mr. Crowley that promoted you?

Meyer - Direct

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1 A Yes.

2 Q And is that the position that you had when Mr. Crowley  
3 became CEO in November of 1999?

4 A Area vice president?

5 Q Yes.

6 A Yes.

7 Q How did the company change after Mr. Crowley became CEO?

8 A Well, when Mr. Crowley became CEO there was a fairly quick  
9 change, I would say, in vision or clear vision for the company.

10 Pretty immediately we had a meeting, and it was very clear  
11 at that point that Dan felt that there was a clear, concise way  
12 to be able to create a healthier Coram, and it still stands  
13 today. It's grow the top line, cut costs, wear it out, do  
14 without and collect the cash. And that's really the focus that  
15 we have from a financial standpoint for the company at the  
16 beginning, and that still holds true for today as well.

17 Q How have sales been under Mr. Crowley's tenure as CEO?

18 A Well, preliminary for February we've just completed the  
19 eighteenth month of top-line growth, month over month. So, we  
20 have had solid growth for the last eighteen months.

21 Q Ms. Meyer, what is it like to work with Dan Crowley on a  
22 day-to-day basis?

23 A Intense. He's -- he expects a lot from you. Working with  
24 him and for him, he expects a lot of himself, but in working  
25 for Dan Crowley you have to be very committed. You have to

Meyer - Direct

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1 understand what you do, and you have to do it well.

2 Q How closely does Mr. Crowley work with you to track sales?

3 A I talk to him pretty much on a daily basis. The routine  
4 is I call him in the morning once I get the sales, and we  
5 basically -- we talk about the daily sales, but we basically  
6 start with the northeast and work our way over to California.  
7 so, we go region by region as far as how they're doing, where  
8 they are to budget, any opportunities, anything that'll get in  
9 the way of making their budget for the month.

10 Q And you do that every day?

11 A I would say mostly every day. Four out of five days at  
12 the last.

13 Q Have you given any thought to what might happen if Dan  
14 Crowley's employment was terminated?

15 A I have, because I think off and on throughout the  
16 reorganization there's been rumors that have come and gone, so  
17 I have given it thought. And I would be concerned, just  
18 because I've been here for so long, and I think the stability  
19 and the trust that people have -- when I say the people, I mean  
20 the employees of Coram. The trust that they have and the  
21 confidence they have in Dan's leadership and the confidence  
22 they have in Coram today is the strongest that I have seen it,  
23 and I would be worried that that would change.

24 Q Would Mr. Crowley's departure have any impact on your  
25 thoughts about your own career plans?

Meyer - Direct

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1 A I guess I would go back to your last question. I would be  
2 concerned of what Coram would look like. And I would be  
3 concerned about the opportunity that would give our competitors  
4 on the field.

5 Q You are aware that a Chapter 11 Trustee's been appointed  
6 in this bankruptcy case?

7 A Yes.

8 Q And you know that trustee is Judge Adams?

9 A Yes.

10 Q Have you met Judge Adams?

11 A Yes, I have.

12 Q And in what context?

13 A Three different occasions. He has been in Denver at  
14 senior management meetings, and I've had the opportunity to do  
15 a presentation in reference to field sales to Judge Adams.

16 Q What happens at those management meetings, other than your  
17 presentation?

18 A Judge Adams has given a book which encompasses the whole  
19 presentation. Dan Crowley starts off the presentation with an  
20 overview of the company. I think on the initial meeting he did  
21 a history of the company, and then talked about the financial  
22 situation we were in with each of the meetings. Then each of  
23 us with our individual departments, individual  
24 responsibilities, would go over the initiatives. A little bit  
25 different at every meeting, but we would go over the

# **EXHIBIT C-7**

1  
2 IN THE UNITED STATES BANKRUPTCY COURT  
3 FOR THE DISTRICT OF DELAWARE  
4 -----x Chapter 11  
5 In re: ) Case Nos. 00-3299 (MFW)  
6 CORAM HEALTHCARE CORP. ) through 00-3300 (MFW)  
7 and CORAM, INC., ) (Jointly Administered  
8 Debtors. ) Under Case No.  
9 -----x 00-3299 (MFW) )

10 February 27, 2003

11 9:38 a.m.

12

13 Deposition of DANIEL D. CROWLEY, held at  
14 the law offices of Weil, Gotshal & Manges LLP, 767  
15 Fifth Avenue, New York, New York, pursuant to  
16 notice and agreement, before Donald R. DePew, an  
17 RPR, CRR and Notary Public within and for the  
18 State of New York.

19

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<p>1 follows: 2 EXAMINATION BY 3 MR. LEVY: 4 Q. Mr. Crowley -- 5 MR. MILLER: Richard, point of order, 6 please. 7 MR. LEVY: Yes, sir. 8 MR. MILLER: You said you didn't know 9 if Don Liebentritt was the chairman. I 10 recall you telling the Court he was the 11 chairman of the committee; has there been a 12 change? 13 I'd just like to know who the client 14 is. 15 MR. LEVY: I don't know that he is the 16 chairman and your statement doesn't refresh 17 my recollection. I'll be happy to straighten 18 out with you whether he is the chairman or 19 not, Alan. I'm not trying to keep it from 20 you. I just don't know at this point. 21 MR. MILLER: I know you wouldn't try to 22 hide anything, so thank you. 23 MR. LEVY: You're welcome. 24 BY MR. LEVY:</p>	<p>6</p> <p>1 Crowley 2 MR. LEVY: Yes, objection by one is an 3 objection but for all. 4 Q. What documents did you look at? 5 A. The materials that had been provided by 6 me to respond to the subpoena by yourself. 7 Q. About how many documents were those? 8 A. Several. 9 Q. Hundred? 10 A. I don't recall. 11 Q. Sir, we've got, I believe, 1300 12 numbered pages with the Bates symbol CRX on it, 13 meaning it had been produced by you, is that the 14 approximate number you looked at yesterday? 15 A. No. 16 Q. About what part of that 1300 did you 17 look at? 18 A. 25, 50, something in that neighborhood. 19 Q. This was yesterday, right, yes? 20 A. Yes. 21 Q. Can you describe to me any of the 22 documents you looked at? 23 Name one. 24 A. Correspondence between myself and my 25 attorney as to a draft letter that was part of</p>
<p>7</p> <p>1 Crowley 2 Q. Mr. Crowley, did you spend some time 3 preparing for this deposition? 4 A. Yes. 5 Q. Was any of that time spent with any 6 person present, other than your attorney, 7 Mr. Ward, or your attorney, Mr. Schreiber? 8 A. Yes. 9 Q. Who? 10 A. Counsel for the trustee. 11 Q. Who? 12 A. Principally, Mr. Kipnes. 13 Q. How much time did you spend with 14 Mr. Kipnes preparing for this deposition? 15 A. A couple of hours. 16 Q. When? 17 A. Yesterday. 18 Q. Yesterday? 19 A. Yes. 20 Q. During the course of that preparation 21 did you look at any documents? 22 A. Yes. 23 Q. What documents did you look at? 24 MR. GODNICK: Objection. 25 MR. MILLER: The same stipulation?</p>	<p>9</p> <p>1 Crowley 2 your brief to the court. 3 Q. The letter dated May 6th about? 4 A. About that date. 5 It was two versions of the letter that 6 was one letter, yes. 7 Q. During your meeting in preparation in 8 which Mr. Kipnes was present at who said let's 9 discuss this document? 10 Whose idea was it? 11 A. My counsel. 12 MR. WARD: Objection. 13 The attorneys have a joint interest in 14 this and I think that is covered by 15 privilege. 16 Q. I'm sorry. 17 A. I don't understand the procedure when 18 someone objects, am I just -- 19 MR. WARD: I think who said what to 20 whom in this meeting would be privileged. 21 Mr. Kipnes represents the trustee. 22 Mr. Crowley is an employee of the trustee. 23 And I think in this particular proceeding 24 there is a joint interest. 25 MR. LEVY: Are you going to instruct</p>

3 (Pages 6 to 9)

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<p style="text-align: right;">94</p> <p>1                    Crowley      2     A. I don't know. I might have.      3     Q. Do you have any recollection of it at      4 all?      5     A. I just said I don't know.      6     Q. Did you tell Feinberg at this      7 meeting – perhaps this will refresh your      8 recollection – that David Friedman, who, of      9 course, was the debtors' attorney, did a poor job?      10    A. I don't recall.      11    I do think he didn't do as good a job      12 as he could have.      13    Q. Do you think he did a poor job?      14    A. He did a lousy job.      15    Q. Did he ask you to recite some things on      16 the witness stand?      17    A. Mr. Levy, you're mischaracterizing a      18 draft of my --      19    Q. I'm not mischaracterizing anything.      20    I'm asking did he, David Friedman, ask      21 you to recite anything on the witness stand?      22    A. No. He handed me a sheet with      23 questions and with what he thought were my      24 probable answers. And I gave my answers in court      25 to the best of my ability, the truth and nothing</p>	<p style="text-align: right;">96</p> <p>1                    Crowley      2     Q. Why?      3     A. I think I've already testified to this.      4     Q. What disappointed you?      5     A. I believe I've already testified to      6 this.      7     Q. I don't believe you've answered that      8 question. You've told me what happened. I want      9 to know what part of that or anything else you can      10 think of that disappointed you.      11    A. Mr. Levy, I believe I'm due a      12 substantial money sum from Cerberus for work I      13 did, unrelated to Coram, in which value was      14 created --      15    Would you like me to stop while you're      16 talking?      17    MR. BEATIE: I think we've heard this      18 six, seven times already.      19    A. -- I expected a proposal and a number,      20 there was none. I was disappointed, I don't know      21 why I was asked to come to New York to hear      22 nothing.      23    Q. Do you recall him saying to you that      24 "you kissed the wrong woman"?      25    A. Generally.</p>
<p style="text-align: right;">95</p> <p>1                    Crowley      2 but the truth.      3     Q. Did the answers that you gave in court      4 vary from the probable answers on the sheet that      5 David Friedman gave you?      6     MR. KIPNES: Object to the question.      7     MR. WARD: Objection to the substance      8 of the form.      9     MR. KIPNES: Also might be privileged.      10    Go ahead.      11    A. Sure, they were my answers.      12    I'm my own person. I speak what I      13 think is right.      14    Q. Did you come away from that meeting in      15 May disappointed?      16    MR. GODNICK: You're referring to the      17 dinner?      18    MR. LEVY: The dinner.      19    MR. GODNICK: Thank you.      20    MR. LEVY: Let's clear that up.      21    Q. You didn't have any meeting in May with      22 Feinberg other than that dinner, did you?      23    A. I don't recall it.      24    Q. Did you come away disappointed?      25    A. I came away disappointed, yes.</p>	<p style="text-align: right;">97</p> <p>1                    Crowley      2     Q. Did he say that at the May meeting?      3     A. I don't recall when it was said.      4     Q. What did you understand that to mean?      5     MR. WARD: Objection, foundation.      6     How does he know?      7     Go ahead.      8     A. I don't know anymore. I just don't      9 know. It's a long time ago.      10    Q. Ten months ago, yes?      11    You don't remember?      12    A. I think you're going to depose him.      13 Ask him.      14    I don't remember.      15    Q. Do you know what EC 20 is, does that      16 ring a bell at all?      17    A. Not a clue.      18    Q. That's the personal – memorandum of      19 personal and confidential that you sent to      20 Mr. Feinberg. You signed it, he never signed it.      21 It was mentioned in the judge's opinion. It      22 related to your getting an upside on Cerberus's      23 position if you did well at Coram generally.      24 Do you recall that?      25    MR. GODNICK: I'm going to object to</p>

25 (Pages 94 to 97)

<p>1 Crowley 2 the characterization of the document. 3 MR. KIPNES: I assume by definition 4 we're talking about a document that's before 5 December 14th of 2001, which is what I -- 6 MR. MILLER: 2000, early. 7 MR. KIPNES: -- which is what I thought 8 we were here about. 9 MR. LEVY: I'm simply trying to 10 identify it, because I don't have it here. 11 Q. Do you recall it at all? 12 A. I'm sorry, I don't know EC 20 from 13 lunar planetary orbit -- I don't recall what 14 you're talking about. 15 Q. Do you recall that evening in May with 16 Mr. Feinberg, telling him you didn't have to write 17 a document in which you asked for an upside on 18 Cerberus's position if you did well with Coram? 19 A. No, I don't remember that. 20 Q. Trustee's Exhibit 19. 21 MR. KIPNES: 19? 22 MR. LEVY: 19. 23 Q. There's Bates numbers CRX 63, 4, and 5. 24 And I won't characterize it otherwise 25 for a moment.</p>	<p>98</p> <p>1 Crowley 2 A. Well, you have to put it in context. 3 This is the first draft of two drafts, which 4 you've mischaracterized and basically did not tell 5 the truth to -- in your brief, two drafts of a 6 single letter, unsent. The third attachment was 7 not written by me. I did not see it. And had no 8 awareness of it until this proceeding and counsel 9 showed it to me. And it was written by Scott 10 Schreiber, not me. 11 Q. Do you know whose handwriting appears 12 for the word "Insert" on CRX 65? 13 A. It's Mr. Schreiber's handwriting. 14 Q. Did you discuss this document in your 15 preparation for your deposition yesterday? 16 A. Yes. 17 Q. And Mr. Kipnes was present at that 18 discussion? 19 A. Yes. 20 Q. What did Mr. Kipnes say about that? 21 MR. WARD: Same objection as 22 previously. 23 MR. KIPNES: Objection to the form of 24 the question. 25 Assumes facts not in evidence.</p>
<p>99</p> <p>1 Crowley 2 MR. GODNICK: I can't hear you. 3 MR. LEVY: I said I won't characterize 4 it otherwise for the moment. 5 MR. MILLER: It's a draft letter to... 6 Q. Do you have that in front of you? 7 MR. WARD: No, not yet. 8 I believe you've got the original. 9 Q. Have you seen this before today? 10 A. Yes. Counsel showed it to me in 11 preparation. 12 Q. Did you write this? 13 A. I wrote the first two pages. 14 Q. Did you write the third page? 15 A. No. 16 Q. Do you know who wrote the third page? 17 MR. GODNICK: I can't hear you. 18 Q. Do you know who wrote the third page? 19 MR. GODNICK: I'm sorry, Richard, you 20 asked if he wrote the third page, he said, 21 no? 22 MR. LEVY: That's correct. 23 A. I wrote the first two pages. It's a 24 draft -- 25 Q. If you can confine yourself, please.</p>	<p>101</p> <p>1 Crowley 2 MR. GODNICK: I will make the Federal 3 Rule of Evidence 612 objection. 4 MR. LEVY: Are you going to instruct 5 him? 6 MR. WARD: As long as it is discussions 7 with counsel for the trustee for whom he is 8 an employee, and the counsel for the trustee 9 and counsel for him previously have interest, 10 it is privileged. 11 MR. LEVY: Will you join in the 12 instruction? 13 MR. KIPNES: I do, subject also to my 14 objection that the question assumed a fact 15 not in evidence. 16 Q. During the preparation did Mr. Kipnes 17 say anything at all about this document? 18 I'm not asking you what he said. I 19 just want to know whether he said anything at all 20 about it. 21 MR. WARD: I'll let the witness answer 22 to the extent, yes or no, was there any 23 discussion with Mr. Kipnes as to the 24 document. 25 MR. KIPNES: Whoa, that's not what the</p>

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<p style="text-align: right;">102</p> <p>1                    Crowley      2 question was.      3                    MR. LEVY: I adopt the question.      4 Withdraw my question and I adopt Mr. Ward's      5 question.      6                    MR. GODNICK: I need to know.      7                    MR. KIPNES: Now we need Mr. Ward's      8 question.      9                    MR. MILLER: Stop it, will you guys?      10 We're wasting a lot of time.      11                   MR. KIPNES: I wasn't fencing.      12 The first question was did Mr. Kipnes      13 say anything. Then what Mr. Ward said was      14 there a discussion at which Mr. Kipnes was      15 present. Those are two very different      16 questions, which question are we asking.      17                   MR. LEVY: I thought I was clear, we're      18 asking Mr. Ward's question first.      19                   MR. GODNICK: Can you state the      20 question, because I believe you're the      21 questioner, Mr. Levy.      22 Q. During your preparation was there a      23 discussion of this document at which Mr. Kipnes      24 was present?      25 A. Yes.</p>	<p style="text-align: right;">104</p> <p>1                    Crowley      2 context, you do sound bites, and mischaracterize.      3                    This is an unsigned draft, one of a      4 couple of -- the next letter is the same letter.      5 And you've handed me three pages. The third page      6 is -- I did not see it until this proceeding,      7 written by not me, but my attorney.      8                    This letter was typed by me, period.      9                    Q. "This letter" now meaning 63 and 64?      10 A. CRX 00063 and CRX 00064 was a draft      11 typed by me. I thought it was attorney-client      12 privilege, because I sent it only to my lawyer,      13 Scott Schreiber, and I've never seen it again.      14 Q. Did you write it?      15 Did you type it on or about May 6th?      16 A. I must have. I don't know.      17 Q. Your meeting was on May 1st; is that      18 correct?      19 A. I don't know. On and about there.      20 Q. Between May 1st and May 6th did you      21 make any notes, write anything --      22 A. No.      23 I'm sorry.      24 Q. -- concerning the meeting?      25 A. No.</p>
<p style="text-align: right;">103</p> <p>1                    Crowley      2 Q. Did Mr. Kipnes say anything -- and you      3 don't have to tell me what he said -- just did      4 Mr. Kipnes say anything about this document?      5 A. I don't recall that.      6 Q. Was this document --      7 You know, we've been talking about it      8 being written by you, did you dictate it, did you      9 type it, did you handwrite it and have it      10 transcribed?      11 How did it come into being?      12 MR. GODNICK: We're referring now to      13 the first two pages, correct?      14 MR. LEVY: Sure.      15 A. Again, this is -- you've only shown me      16 one document. This is draft one of two drafts.      17 MR. LEVY: Let me be clear. I'm      18 talking about only pages CRX 63 and 64.      19 A. I understand.      20 Q. My question is physically how did it      21 come into being, did you type it, did you dictate      22 it, did you handwrite it and have someone else      23 type it?      24 A. I will answer that.      25 I also know you take things out of</p>	<p style="text-align: right;">105</p> <p>1                    Crowley      2 Q. So five days after the meeting you sat      3 down and you typed -- it's called "draft" -- your      4 first draft or a draft of a letter to Feinberg,      5 right?      6                    MR. GODNICK: Is there a basis for      7 assuming it's on May 1st?      8 I haven't heard testimony as to      9 May 1st.      10                   MR. LEVY: Yes, there is. I was trying      11 to save time. I'll represent to you based on      12 e-mails that Mike was a party to, in fact.      13 A. Mr. Levy, you said "called" "draft,"      14 that's not what this is. It is a draft. It is      15 one of two drafts. You have both of them. It is      16 not called "draft," it is a draft, I typed it. I      17 didn't have any notes. And I sent it to my      18 attorney.      19 Q. There's what looks like a rubber stamp      20 impression on the top that says "Draft" on both      21 pages.      22 A. Right.      23 Q. Do you see that?      24 A. That would be the "Draft" stamp.      25 Q. Who put it on?</p>

27 (Pages 102 to 105)

## **EXHIBIT C-8**

Danitz, Scott R.

4/6/2007

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF DELAWARE

Certified Copy

Case No. 04-1565

VIDEO DEPOSITION OF SCOTT R. DANITZ  
April 6, 2007

ARLIN M. ADAMS, Chapter 11 Trustee of the  
Post-Confirmation Bankruptcy of Estates of Coram  
HEALTHCARE CORPORATION, and of CORAM, INC., a  
Delaware corporation,  
Plaintiffs,

vs.

DANIEL D. CROWLEY, DONALD J. AMARAL, WILLIAM J.  
CASEY, L. PETER SMITH, and SANDRA L. SMOLEY,

Defendants.

APPEARANCES:

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415-391-5400  
lmims@kvn.com  
Appearing on behalf of Defendant  
Daniel D. Crowley.

Also Present: Carie Finegan, Videographer

Danitz, Scott R.

4/6/2007

1                   fiscal year 2000.

2                   MR. BRESSLER: I understand.

3                   Q        (By Mr. Bressler) If the -- if the  
4                   threshold in 2001 was still \$14 million, it would  
5                   have been exceeded in six months, wouldn't it have?

6                   A        At that point in time, if that was the  
7                   measurement date, yes.

8                   Q        Various people are shown as getting copies  
9                   of this report. Let's go through them. My name is  
10                  first?

11                  A        Yes.

12                  Q        And what did you understand my function to  
13                  be?

14                  A        You were chief counsel, lead counsel for  
15                  Judge Adams.

16                  Q        In the bankruptcy?

17                  A        In the bankruptcy, yes.

18                  Q        Next name is Joseph Devine. Do you know  
19                  who Mr. Devine is?

20                  A        Yes, he's a partner colleague in your firm  
21                  and handled SEC work for Judge Adams in working with  
22                  myself and other employees in the company in our SEC  
23                  filings.

24                  Q        Are you also aware that Mr. Devine was  
25                  also involved in the KERP program and other business

# **EXHIBIT C-9**

Marabito, Allen J.

4/5/2007

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF DELAWARE

Case No. 04-1565

Certified Copy

VIDEO DEPOSITION OF ALLEN J. MARABITO  
April 5, 2007

ARLIN M. ADAMS, Chapter 11 Trustee of the  
Post-Confirmation Bankruptcy of Estates of Coram  
HEALTHCARE CORPORATION, and of CORAM, INC., a  
Delaware corporation,  
Plaintiffs,

vs.

DANIEL D. CROWLEY, DONALD J. AMARAL, WILLIAM J.  
CASEY, L. PETER SMITH, and SANDRA L. SMOLEY,

Defendants.

APPEARANCES:

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Appearing on behalf of Defendant  
Daniel D. Crowley.

Also Present: Carie Finegan, Videographer

Marabito, Allen J.

4/5/2007

with SEC issues. So Joe Devine was a corporate practice attorney.

Q Can you describe the procedure by which KERP or other incentive compensation plans were handled after Mr. Crowley left the company?

A I think when -- when Judge Adams came in as trustee, one of the initial topics was how do you keep the employees as employees, and your office came up with a concept that was then permitted under the bankruptcy code, management incentives to stay and perform, and then we were asked as the management side, myself and senior HR officer principally what was the existing compensation arrangements, what were recommended compensation arrangements, and that information was in turn provided to Joe Devine, your firm and the trustee to crunch.

Q And there was some back and forth between you and Mr. Devine and the trustee, I take it?

A Yes.

Q Would it be fair to say that the trustee has a reputation for frugality?

A Yes. Yes, he's -- he's frugal and he comes from an era that was by necessity frugal.

Q And then once a decision was reached or a

Marabito, Allen J.

4/5/2007

1 consensus between the trustee, Mr. Devine, you and  
2 Mr. Ponzio, right, I think is the senior HR person?

3 A Yes.

4 Q Counsel for the trustee prepared a motion  
5 to approve such KERPs that went to the court?

6 A Yes.

7 Q And do you know who prepared and presented  
8 those motions to the court?

9 A That would have been Mr. Devine and Judge  
10 Adams.

11 Q And do you know who the lawyers were who  
12 drafted the motion and filed it with the court?

13 A Not all of them, but I know Joe Devine had  
14 signature power on all of the instruments.

15 Q And in respect to those KERPs, my function  
16 was to be the court -- the trustee's bankruptcy  
17 lawyer?

18 A Yeah, I think you were the bankruptcy  
19 lawyer. I -- I wouldn't look to Joe for bankruptcy  
20 advice.

21 Q Could you tell us who Will Kipnes is?

22 A Will Kipnes is an attorney in your firm  
23 that was present at confirmation hearings,  
24 depositions, and has a litigation practice.

25 Q By the way, now that we've reviewed the